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January 23, 2006

Ms. Stephanie Hillmon, Assistant General Counsel
Committee for Purchase From People Who Are Blind or Severely Disabled
1421 Jefferson Davis Highway
Suite 10800
Arlington VA, 22202-3259

Re: Written Testimony in lieu of attendance at Public Hearings

Dear Ms. Hillmon and Committee members;

Thank you for allowing me to participate in this process and for giving me the opportunity to share with you my opinions on the matters of corporate governance and executive compensation. My name is Jim Cassetta and I am the President and CEO of Work Inc. in Quincy Massachusetts. Work Inc. is in its 41st year of operation and serves approximately 1,000 individuals with disabilities. Our primary mission is to improve their quality of life through meaningful work experiences while providing other supports including independent living, residential supports, and day programming. We employ approximately 104 individuals with disabilities in the JWOD program and an additional 700 individuals with disabilities who we employ or we find employment for. In order for all of this to be accomplished we have a staff of approximately 300 individuals many of whom are individuals with disabilities but choose not to disclose. Our annual operating budget for this fiscal year at Work Inc. is \$22 million and approximately 28% is derived from Federal contracts procured under the JWOD program.

I have been an administrator in the non-profit sector for over 30 years and am used to rules and regulations ranging from the wattage of light bulbs utilized by an individual with a disability in their own personal space to what should and should not be contained in first aid kits in a CARF accredited work center and group home that is also regulated by the Commonwealth of Massachusetts. I have dealt with "regulatory redundancy" or "contradictory regulations" constantly over the years. As an example let's take the first aid kit I just alluded to. The Commonwealth of Massachusetts Department of Mental Retardation licensing arm and the CARF accreditation standards differ as to what should and should not be contained in the same first aid kit located in the same space utilized by the same individuals with disabilities. So what do we do? We at Work Inc. do what we think is in the best interest of the individual with a disability to preserve their safety and improve their quality of life! And we roll the dice as to whether the "standards police" cite us for being either in or out of compliance.

What does this example have to do with corporate governance and executive compensation as it relates to qualifying a nonprofit agency's participation in the JWOD program? In my opinion it has everything to do with the issues at hand. All the regulations in the world will not guarantee the successful implementation of the central mission of the JWOD act for individuals with disabilities. The JWOD act defines the qualifications of a non-profit agency.

It defines a "qualified nonprofit agency for the severely handicapped" as:

- Organized under the laws of the United States or of any State, operated in the interest of severely handicapped individuals who are not blind, and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;
- Which complies with any applicable occupational health and safety standard prescribed by the secretary of Labor; and
- Which in the production of commodities and in the provision of services (whether or not the commodities or services are procured under this Act) during the fiscal year employs blind or other severely handicapped individuals for not less than 75 % of the man hours of direct labor required for the provision of the commodities or services.

I have tried but do not see the relationship between the "widely considered benchmarks of good nonprofit agency governance practices" described in the announcement of these hearings to the qualifications of a nonprofit agency as defined by the act. If the committee and the general public feel that the legislation itself needs to address issues such as executive compensation and corporate governance then the process for changing laws of the land should be utilized rather than imposing regulations which in my opinion are in contradiction to the ACT itself. Congress has insinuated that it intends to take action on nonprofit governance and executive compensation and any action they take would certainly override any proposed regulations developed by the Committee.

This statement does not however cause me to disagree with the good governance practices enunciated in the announcement of these hearings. We follow good governance practices at Work Inc. and would propose that the Committee not promulgate regulations to "force" the imposition of such practices but work with Congress to do the appropriate legislating for all non profits in the country. I feel that the we in the non profit community, our trade organizations, NISH and you the President's Committee must work together to improve the chronic unemployment rate of individuals with disabilities in this country rather than utilizing our resources and time to implement and abide by regulations which will be burdensome, excessive and costly to monitor.

On the issue of determining the fair market price and the possibility that executive compensation and non profit agency governance practices may have an adverse effect on pricing is analogous to my example of "regulation redundancy" stated earlier when given the example of the first aid kits. You already have a mechanism in place to insure a fair market price for the goods and services our individuals produce for the federal agencies we are contracted with. Why introduce the possibility of creating additional regulations which

may dilute the intent of the JWOD act and cause non profit agencies to continue to deal with burdensome regulations. You on the Committee have final say as to whether a fair market price is a fair market price as evidenced by your own review prior to a product or service getting to the procurement list. Furthermore when a price dispute arises between the non-profit agency and the federal agency the impasse process which is also governed by you with guidelines promulgated by you will determine the final outcome on fair pricing.

I am confused as to why you would even want to introduce executive compensation in to this formula when you already have the final say on a fair market price. Why even get involved in impacting executive compensation just because a few negative stories showed up in the media portraying all of us as getting rich on the backs of alleged "underpaid individuals with disabilities." If the truth be told many of our individuals with disabilities employed by Work Inc. in the JWOD program make more per hour than I am able to compensate the case managers serving these same individuals.

The overriding concern I have is we in our industry are already excessively regulated by local, state and federal agencies (i.e. local licensing authorities, state agencies, FDA, DOD, etc...). The Committee should encourage organizations such as the American Congress of Community Supports and Employment Services (ACCSES), The Disability Service Providers of America (DSPA) and others to coalesce around this issue and work with Congress to promulgate industry wide regulations for all non profits rather than single out only those involved in the JWOD program.

Your efforts to increase employment opportunities for individuals with disabilities are greatly appreciated and I hope the results of these hearings will strengthen your and our abilities to do so.

Sincerely,

A handwritten signature in dark ink, appearing to read "James Cassetta", written over a horizontal line.

James Cassetta
President/CEO